EXHIBITS

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EXHIBIT A

No. 111 Original

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1987

STATE OF DELAWARE,

Plaintiff,

– against –

STATE OF NEW YORK,

Defendant.

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK :

AFFIDAVIT OF ROBERT GRIFFIN

I, ROBERT GRIFFIN, upon personal knowledge hereby depose and say, under penalties of perjury:

1. I am the Director of Audits, Office of Unclaimed Funds, Office of the New York State Comptroller. I have been the Director of Audits since April 5, 1985, and have extensive experience in auditing the books and records of brokers which have reported unclaimed dividend and interest overpayments ("overpayments") to the Comptroller under article V-A of the New York Abandoned Property Law ("debtor brokers"). The Office of Unclaimed Funds has conducted approximately 21 such audits under my supervision each year since 1985.

2. Based on my experience in conducting and supervising such audits, it is my opinion that in many cases it is possible to determine which creditor broker or banker ("creditor firm") abandoned unclaimed overpayments held by brokers located in New York.

DESCRIPTION OF THE BOOKS AND RECORDS USED TO RECORD OVERPAYMENTS

3. The following is a brief description of the records used by debtor brokers to record overpayments obtained during a recent audit. Examples of the formats of some of these records from a typical broker are attached as exhibits. It should be noted that terminology may differ slightly between brokers.

Cashier daily delivery tickets (sales) (Exhibit I). Each ticket indicates the number of shares delivered (usually physically), the issue, price, trade date, settlement date, delivery date, and, most importantly, the firm to which the shares are delivered and its address. For example, the first sales ticket indicates that Broker X sold 500 shares of Macy common stock at a total price of $21,500 to Asiel & Company at 20 Broad Street, New York, New York. The settlement date and delivery date both were on December 19, 1984. The C.H. number is a code number indicating the creditor firm. The firm name is not always listed, but its C.H. number always is. In this case, the C.H. number is 0370.

Cashier daily delivery tickets (buys) (Exhibit II). Each ticket contains the same information for purchases as the cashier daily delivery tickets for sales. For example, the first ticket indicates that Broker X purchased 8,100 shares of American Motors common stock at a total price of $32,400 from Beauchamp & Co. at 50 Broad Street, New York, New York. The settlement date and delivery date both were on December 20, 1984.

Weekly stock record (Exhibit III). This record indicates position changes for each week by stock issue and by customer within the issue. For example, on September 21, 1977, Broker X had a long position for customer account 01399701606 of 200 shares of Boeing common stock.

Weekly bond record. These records contain the same information for bond issues as do the weekly stock records.

Customer Statement. A separate account maintained for each customer of a brokerage house indicating the money and security transactions for a period of time, which is mailed to the customer, generally on a quarterly basis.

Overpayment Account Journals. An accounting record in which dividend and interest payments are recorded when they are not paid or credited on the payable date to the broker's customer. These monies remain in the account unless a valid claim is received, with the balance subject to the abandoned property law.

Dividend Position Sheet (Stock Record) (Exhibit IV). The record of individual securities on which both the long and short positions are shown, the total of the long and short positions being in balance.

This position sheet on Houghton Mifflin Co. indicates that Broker X received an overpayment of $1,100 for the payable date of February 22, 1984. The top line identifies the record date, payable date, and dividend rate. The overpayment of $1,100 at 22 cents a share indicates that Broker X sold 5,000 shares of Houghton Mifflin before the record date of February 8, 1984, but received the dividend because the purchaser failed to register the shares in time to be reflected on the books of the corporate paying agent. The prior dividend position sheet, however, did not indicate a movement of shares equivalent to the overpayment, which indicates that Broker X purchased and sold the shares within the same period. After further research, our auditors located the cashier delivery ticket, which showed that the trade was executed on February 3, 1984 (five days before the record date) and the shares were sold to Manufacturers Hanover Trust (MHT) in New York City. Broker X subsequently paid the creditor bank the $1,100 overpayment.

Bond Position Sheet: (Bond Record) Same as stock record.

METHODS OF RECONSTRUCTING OVERPAYMENT TRANSACTIONS

4. There is more than one way to reconstruct the overpayment transactions records in order to determine to whom an overpayment is payable. The most appropriate method may differ slightly from firm to firm, depending on individual variations in record keeping. Under each method, however, use of the overpayment account journals and the weekly stock and bond records and the cashier daily tickets are essential.

5. In general, the most practical way to reconstruct the overpayment transactions would involve four steps. The first step would be to obtain from the overpayment account journal a list of significant overpayments. As stated above, this journal includes the date payment was received, the security issue, the payable date, and the amount.

6. The second step would be to determine the record date and payment rate of the specific issue by using *Standard and Poors Stock and Bond Guides.*

7. Once the record date and payment rate are determined, there are two possible approaches to take in completing the third step.

8. The most practical approach would be to review the position changes for the specific issue, starting with the record date and using the weekly stock or bond record. The reviewer would match a movement of shares which would be equivalent to the overpayment amount between this record and the prior one. Once the match was made, the reviewer would note the date of the transaction (sale) and then locate the cashier daily ticket for that date and issue.

9. The alternative approach would be to compare the bond or dividend position sheet in which the overpayment occurred to the prior position sheet. Since the overpayment usually occurs as the result of a sale, one would look for a reduction in a customer's position matching the overpayment. Once the date

of sale has been obtained from the customer's statement, one would then examine the cashier daily delivery tickets for that issue and date. This approach would be more time consuming and would not reflect a sale if the same shares were purchased after the prior record date.

10. The fourth step would be to examine the cashier daily delivery ticket to determine the address of the broker or bank which purchased the shares and, in all likelihood, is due the overpayment.

11. This process would be possible if all the required records are in order and not misfiled. The practice throughout the industry is not entirely uniform since each broker maintains its records differently (although the above description is typical). The condition of the records is directly related to management concerns, the type of storage used, and the expenses that the firm is willing to incur to preserve the records.

12. The Office of Unclaimed Funds has concluded that reconstruction of these transactions is possible where records are available, but it would be time-consuming and require a large clerical staff under the supervision of one or more auditors. The Office of Unclaimed Funds has estimated that it would take 36 people working full-time for one year to reconstruct the overpayment transactions for any one year of all the brokers which have turned over abandoned property to the Comptroller. Any attempt to reconstruct these transactions should be done in a systematic manner to ensure the most expeditious completion of the project. Thus, the reviewer should trace simultaneously all transactions within a specific overpayment period (one month), since the trades and resulting cashier delivery tickets would probably be within the same time period.

ESTIMATED PERCENTAGE OF CREDITOR BROKERS WHICH HAVE DELAWARE ADDRESSES

13. A far less time-consuming and costly alternative to attempting reconstruction of every overpayment transaction, and one which would be almost as accurate, would be to use representative samples from each debtor broker. This is particularly true

because examinations of representative samples of debtor broker's records by the Office of Unclaimed Funds have disclosed that a significant number of the creditor brokers would have New York addresses while few would have Delaware addresses. For example, one recent limited examination of a representative sample at a typical debtor broker failed to disclose any sales and possible unclaimed overpayments owed to creditor brokers with non-New York addresses. Another examination at one of the few institutional debtor brokers which conducts business predominantly with brokers located out-of-state, indicated upon a test of the records that the amount of overpayments owed to creditor brokers with New York address is still likely to be substantial. At that broker, only .19 percent of the creditor brokers had Delaware addresses.

14. These findings are not surprising since few if any of the participants of the National Securities Clearing Corporation, a group which includes almost all the creditor brokers, have Delaware trading addresses. In addition, eighty-four percent of the top 100 creditor brokers ranked by the Securities Industry Association hold 93.6 percent of the total capital held by all creditor brokers, and have trading addresses located in New York; none have Delaware trading addresses.

RECIPROCITY AGREEMENTS WITH OTHER STATES

15. Last year, New York began entering into prospective reciprocity agreements with other states under section 1417 of the Abandoned Property Law. Idaho, Massachusetts, Minnesota, North Carolina, North Dakota, Virginia, and Wisconsin have already signed such agreements and at least ten other states (not including Delaware) have expressed interest in and are presently considering signing such agreements. Under such agreements, each state agrees that abandoned property in its custody is subject to claims by the true owner at any time, that it will review its annual abandoned property reports to locate property unclaimed by persons or entities whose last known addresses are in the other state, and that it will deliver on an annual basis unclaimed property owed to residents of the other state. A standard reciprocity agreement is attached as Exhibit V. Each of

the states which are parties to the reciprocity agreements deliver unclaimed property owed to individuals and corporations whose last known address (as shown on the debtor's records) is located in the other state.

16. New York is an active member of the Reciprocal Auditing Task Force ("Task Force") of the National Association of Unclaimed Property Administrators ("NAUPA") along with 26 other states (not including Delaware) which cooperate in obtaining unclaimed property abandoned by each other's residents. I am the project coordinator for a major effort by the Task Force to gather information on the abandoned property laws of the participating states. As part of this effort, I sent a questionnaire asking for information about abandoned property statutes to all 49 other states on March 30, 1988. Delaware has not responded to this questionnaire. I have invited all states, including Delaware, at NAUPA conferences to enter into reciprocity agreements with New York. For example, I participated in Task Force panels at NAUPA conferences in 1986 and 1987 and circulated material to all states at the conference. Delaware has failed to respond to these invitations.

/s/ ROBERT GRIFFIN

ROBERT GRIFFIN
Director of Audits
Office of Unclaimed Funds
Office of the Comptroller
of the State of New York

Sworn to before me this
5th day of May, 1988

/s/ STEPHEN MENDELSOHN

NOTARY PUBLIC

EXHIBIT I
(1 of 2)

CASHIER DELIVERY TICKET

BROKER X

: PARTIAL DELIVERY
: DELIVERED
: FAILURE TO DELIVER

Orig. No.	Trade Date	Settlement Date	Date Delivered
	190151	12/19/84	12/19/84

Ident. No.	Account Name	CH. No.	Special Delivery Instructions
		0370	Asiel & Company 20 Broad Street New York, New York 10005

WE	QUANTITY	CUSIP NO.	SECURITY DESCRIPTION	SYMBOL
DEL	500	556139-10-3	MACY	21,500.00

EXHIBIT I
(2 of 2)

CASHIER DELIVERY TICKET

BROKER X

: PARTIAL DELIVERY
: DELIVERED
: FAILURE TO DELIVER

Orig. No.	Trade Date	Settlement Date	Date Delivered
	9999999	XX/XX/XX	XX/XX/XX

Ident. No.	Account Name	CH. No.	Special Delivery Instructions
370		370	

WE	QUANTITY	CUSIP NO.	SECURITY DESCRIPTION	SYMBOL
SLD	1800	370-442-402	GM PFD E	

NET AMOUNT

70,200

EXHIBIT II

BROKER X

: PARTIAL DELIVERY
: DELIVERED
: FAILURE TO DELIVER

Orig. No.	Trade Date	Settlement Date	Date Delivered
:____:	200130	12/20/84	12/20/84

Ident. No.	Account Name	CH. No.	Special Delivery Instructions
:____:		0211	BEAUCHAMP & CO.
:____:			50 Broad Street
			New York, New York 10005

WE	QUANTITY	CUSIP NO.	SECURITY DESCRIPTION	SYMBOL
BOT	8,100	027627-10-8	AMER MOTORS	

NET AMOUNT

32,400.00

EXHIBIT III

WEEKLY STOCK RECORD

BROKER X

Date	Account 1B	Position Long	Position Short	Segregation	Safekeeping	Transfer	Date	Account 1B	Position Long	Position Short	Segregation	Safekeeping	Transfer
07/32/6	BOEING COMPANY									NYSE CCS	0972	023-10-52	BA
09/21/77	01399701606	1200		1200		I	09/26/77	02941311606	1000		500	500	
09/21/77	01605002039	400				I	09/21/77	03134351031	200		200	200	I
09/21/77	01659082126	200		200			02/03/78	03291541070	300		300		I
09/21/77	01709852152	400		400			09/21/77	03351911046	448		448		
09/21/77	01818002039	200				I	02/23/78	03648982121	100				
09/21/77	01821492220	200					02/21/78	65028463452		300			
09/21/77	01827701606	1000		1000		I	02/02/78	97001040		500			
02/17/88	01839602011	200		181		I	02/23/78	97981010		9074			
10/11/77	01872131022	100		100			09/21/77	98982210		2800			
01/30/78	01993471221	100		100			09/20/77	98982910		1000			
09/21/77	02184802038	100		100			02/22/78	98984110		2300			
11/23/77	02757412055	500											

Broker X

BD200D — SECURITIES PAID

		RCD DATE	PAY DATE	DIV RATE
441560-10-9	HOUGHTON MIFFLIN CO.	02-08-84	02-22-85	.220000

		NET POSITION		STOCK DIV.		CASH DIV.			
SHORT NAME	ACCOUNT	LONG	SHORT	LONG	SHORT	DEBIT	CREDIT	TYP TAX	MESSAGE
O'CONNOR HE	065-002537-1	300					66.00		Gross Div
							66.00**	Div.	Net Div
O'CONNOR HE	065-002545-1	300					66.00		Gross Div
							66.00**	Div.	Net Div
	960-102004-1		600			132.00			Gross Div
TOTALS		600	600			132.00	132.00		GROSS DIVIDEND TOTALS
									NRA TAX TOTAL
									TEFRA TAX TOTAL
						132.00	132.00		NET DIVIDEND TOTALS

3/7

COMPANY CHECK
CREDIT THRU DTC
132.00 2/22
CREDIT A/C CHARGE
BROKERS CHECKS
W/O

Dr Siac 1,100.00
Div Adj

EXHIBIT IV
(Page 2 of 2)

BROKER X

: PARTIAL DELIVERY
: DELIVERED
: FAILURE TO DELIVER

Orig. No.	Account No.	Trade Date	Settlement Date	Date Delivered
:____:	065-002081-0 451	2/03/84	02/10/84	2/10

Ident. No.	Account Name	CH. No.	Special Delivery Instructions
:____:	Manufacturers Hanover Tr. Co.		DTC # 930
:____:	600 Fifth Avenue		Manufacturers Hanover Trust
	New York, New York 10020		Order Room Trades
	Att: Order RM 6th Fl.		Courtesy 14 Research Corp.

WE	QUANTITY	CUSIP NO.	SECURITY DESCRIPTION	SYMBOL
SLD	5,000	441560-10-9	Houghton Mifflin Co.	HTN

ecord Date 02-08-84
. Date 02-02-84
TC

PRICE	PRINCIPAL	COMMISSION	NET AMOUNT
24,848	124,240.00	650.00	124,890.00

BEST AVAILABLE COPY

EXHIBIT V

Unclaimed Property Reciprocal Agreement

The State of _____ and the State of New York have entered into this Reciprocal Agreement this ____ day of _____ 1987.

WHEREAS, the _____ of the State of _____ may hold certain unclaimed property credited to the names of the persons or entities apparently entitled to such property whose last known addresses were in the State of New York, and

WHEREAS, the Comptroller of the State of New York may hold certain unclaimed property credited to the names of the persons or entities apparently entitled to such property whose last known addresses were in the State of _____, and

WHEREAS, the _____ and the Comptroller of said jurisdiction are desirous of ensuring that said property is returned to the lawful owners thereof, and

WHEREAS, the Supreme Court of the United States has ruled that the state of the apparent owner's last known address has a priority claim to escheat abandoned unclaimed property, and

WHEREAS, the States of _____ and New York, in the interests of comity and reciprocity, are desirous of encouraging holders of unclaimed money to report and deliver such property so that their respective residents will receive their lost or forgotten property, and

WHEREAS, the laws of the State of New York and the State of _____ provide that such property be held in custody subject to claim by the person or persons entitled thereto at any time without limitation thereto,

NOW, therefore, the _____ of the State of _____ and the Comptroller of the State of New York hereby agree as follows:

1. Each state shall review its records for reports filed on or after April 1, 198 to ascertain the name, address and amount of unclaimed money of $25.00 or more credited to apparently entitled persons whose last known addresses are located within the other state.

2. From and after the date of this agreement, the parties agree to maintain a record of all unclaimed money coming into their possession, the apparent owners of which have a last known address in other state.

3. The State of _____ and New York hereby agree to deliver on an annual basis to each other the unclaimed money owing to their respective residents.

4. Only such property of a type which is subject to the unclaimed property laws of the receiving state shall be delivered to such state pursuant to paragraph 3. Property which can be identified from the records of the delivering state as being specifically excluded from the unclaimed property laws of the receiving state shall not be delivered to, or receivable by, such state pursuant to this agreement.

5. The State of _____ and the State of New York, to the extent provided by existing law, relieve and hold harmless the other for any liability for any claims or damages which exist or may exist with respect to the delivery of such unclaimed property to each other.

Such relief shall, to the extent provided by existing law, run solely from the state receiving property pursuant to this agreement to the state delivering such property pursuant to this agreement, and shall not run to those holders of unclaimed property which initially delivered such property to either state. Holders delivering such property to either state shall be entitled only such relief for such delivery as provided by the laws of the state initially receiving said property from such holders.

6. The State of _____ and New York as a matter of comity and reciprocity hereby agree to the extent permitted by law to exchange audit information and holder reporting

information which will assist the other in enforcing its unclaimed property law and further agrees to advise and encourage the holders of unclaimed money to report and deliver such property to the other state pursuant to its law.

7. For the mutual benefit of their residents, _____ and New York may agree to participate and cooperate in joint and/or reciprocal examinations of noncomplying property holders on such terms and conditions as may be subsequently agreed upon.

8. The State of _____ and the State of New York hereby agree, to the extent authorized by law, to execute any further or additional documents which may be required to implement this agreement.

9. The terms and conditions of the Reciprocal Agreement shall become effective on _____, upon approval as to form by the Attorney General of the State of _____ and the State of New York.

10. Either state, upon ninety day's notice in writing to the other, may terminate this agreement, without prejudice to subsequent renewal upon agreement by both states.

STATE OF NEW YORK	STATE OF
BY: _____	BY: _____
DATE: _____	DATE: _____
APPROVED AS TO FORM:	APPROVED AS TO FORM:
ATTORNEY GENERAL, STATE OF NEW YORK	ATTORNEY GENERAL, STATE OF
_____	_____ Special Assistant Attorney General

EXHIBIT B

No. 111 Original

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1987

STATE OF DELAWARE,

Plaintiff,

– against –

STATE OF NEW YORK,

Defendant.

STATE OF NEW YORK)
: SS.:
COUNTY OF ALBANY :

AFFIDAVIT OF HERBERT M. FRIEDMAN

I, HERBERT M. FRIEDMAN, upon personal knowledge hereby depose and say, under penalties of perjury:

1. I am Assistant Deputy Counsel, Division of Legal Services, Office of the New York State Comptroller, having been appointed to such position in December, 1985. From September, 1976 until January, 1984, I was Associate Counsel, Bureau of Abandoned Property, Office of the New York State Comptroller. During such period, I supervised the receipt, examination and payment of all claims for the refund and/or return of unclaimed funds held by the State of New York under the New York Abandoned Property Law and related statutes. Since January 1984, I have acted as legal consultant to the Office of Unclaimed Funds, Office of the New York State Comptroller.

2. Other states have presented claims for abandoned property directly to the Comptroller under section 1406(1) of the New York Abandoned Property Law, in the same manner as claims presented by private persons. In recent years, for example, Alaska, Maine, Massachusetts, North Carolina, Texas, Utah and Virginia have all made such claims. In the only case in which New York denied a claim, the claimant state did not seek further administrative or judicial review. Delaware has never made a claim for abandoned property under this section.

/s/ HERBERT M. FRIEDMAN

HERBERT M. FRIEDMAN
ASSISTANT DEPUTY COUNSEL
DIVISION OF LEGAL SERVICES
OFFICE OF THE COMPTROLLER
OF THE STATE OF NEW YORK

Sworn to before me this
29 day of April, 1988

/s/ PAUL V. MORGAN

NOTARY PUBLIC